

ILLINOIS
COMMERCE COMMISSION

2005 FEB 25 A 11:04
MISSION

CHIEF CLERK'S OFFICE

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03-0548

The proceeds realized from the issuance of the Series OO and Series PP Bonds have been used to redeem the Company's previously issued \$27,000,000, variable

interest rate First and Refunding Mortgage Bonds, Series EE, \$37,500,000, variable
interest rate First and Refunding Mortgage Bonds, Series II and \$37,500,000, variable
interest rate First and Refunding Mortgage Bonds, Series JJ.

No entity is or became an "affiliated interest" of the Company within the meaning of section 7-101 of the Illinois Public Utilities Act as a result of acquiring the Series EE, II & JJ Bonds.

On November 25, 2003, the Company also issued and sold its \$75,000,000 First and Refunding Mortgage Bonds, Series QQ, to the Illinois Development Finance Authority ("IDFA"). IDFA contemporaneously sold \$75,000,000 principal amount of its Gas Supply Refunding Revenue Bonds, Series 2003E to the underwriters, LaSalle Capital Markets, A Division of ABN AMRO Financial Services, Inc., Banc One Capital Markets, Inc. and Loop Capital Markets, LLC at 100.00% of the principal amount (i.e., \$100.00 per one hundred dollars face amount) for an aggregate consideration of \$75,000,000, which was then loaned by IDFA to the Company. The Series QQ Bonds, which will mature on November 1, 2038, will bear interest at a rate of 4.875% per annum.

The proceeds realized from the sale of the Series QQ Bonds have been used for the purpose of refunding the \$75,000,000, 5-3/4% First and Refunding Mortgage Bonds, Series DD.

No entity is or became an "affiliated interest" of the Company within the meaning of section 7-101 of the Illinois Public Utilities Act as a result of acquiring the Series QQ Bonds.

During the period ended December 31, 2004, the Company incurred the following expenses on its books in connection with the issuance and sale of said Series OO, PP and QQ bonds:

	<u>Three Months Ended December 31, 2004</u>	<u>Cumulative Total at December 31, 2004</u>
Series OO		
-Accounting Fee		\$8,500.00
-Rating Fee		35,000.00
-Filing Fee		2,613.38
-Legal Fees and Expenses	\$157.50	92,819.47
-Insurance Fee	38,250.00	793,382.18
-Underwriters Fee		184,387.50
-IDFA Issuance Fee		53,650.00
-Analytical Services		17,500.00
-Acceptance and Counsel Fee		2,025.00
-Acceptance and Depository Fee		3,000.00
-IDFA Application Fee		500.00
 Series PP		
-Accounting Fee		\$8,500.00
-Rating Fee		18,360.00
-Filing Fee		2,613.38
-Legal Fees and Expenses	\$157.50	92,819.48
-Insurance Fee	38,250.00	793,382.18
-Underwriters Fee		184,387.50
-IDFA Issuance Fee		53,650.00
-Analytical Services		17,500.00
-Acceptance and Counsel Fee		2,025.00
-Acceptance and Depository Fee		3,000.00
-IDFA Application Fee		500.00
 Series QQ		
-Legal Fees and Expenses		\$91,268.03
-Rating Fee		27,000.00
-Insurance Fee		1,270,080.00
-Acceptance Fee		4,500.00
-Underwriters Fee		512,500.00
-IDFA Issuance Fee		77,700.00
-IDFA Application Fee		500.00
Total	<u>\$76,815.00</u>	<u>\$4,353,663.10</u>

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

GERARD T. FOX, being first duly sworn, on oath states that he is Vice President of Administration of The Peoples Gas Light and Coke Company, that he has read the foregoing report and knows the contents thereof, and that the facts stated therein are true to the best of his knowledge, information and belief.

Gerard T. Fox
Gerard T. Fox

Subscribed and sworn to before me this 23rd day of February, 2005.

Carol B O'Reilly
Notary Public

My Commission Expires:

March 27, 2006

